

**PRESS RELEASE**

**IMMSI GROUP: 2019 HALF-YEAR RESULTS<sup>1</sup>**

**At 30 June 2019, the Immsi Group reported an improvement in performance from the year-earlier period, with progress on all the main earnings indicators, an increase in net profit, higher capital expenditure and a reduction in debt.**

**Consolidated net sales 851 million euro, up 9.9% (774.1 €/mln at 30.06.2018)**

**Ebitda 136.6 million euro, up 10.1%  
(132.4 €/mln ex IFRS 16) (124.1 €/mln in H1 2018). Ebitda margin 16.1%.**

**Ebit 75.2 million euro, up 11.3%  
(67.5 €/mln in H1 2018). Ebit margin 8.8%**

**Profit before tax 54.1 million euro, up 17.9%  
(54.4 €/mln ex IFRS 16) (45.9 €/mln in H1 2018)**

**Net profit including minority interests 25.7 million euro, up 15.1%  
(22.3 €/mln in H1 2018)**

**Net profit 12.8 million euro, up 12% (11.4 €/mln in H1 2018)**

**Net financial position ex IFRS 16 -815.6 €/mln, an improvement of 36.4 €/mln  
from -852 €/mln at 31.12.2018 and of 27.6 €/mln from -843.2 €/mln at 30.06.2018**

**NFP at 30 June 2019, including IFRS 16, -838.2 €/mln, an improvement of 13.9 €/mln  
from 31.12.2018 and 5.1 €/mln from 30.06.2018**

**Capital expenditure 61.6 million euro, up 25.7% (49 €/mln at 30 June 2018)**

*Mantua, 2 September 2019* – At a meeting today chaired by Roberto Colaninno, the Board of Directors of **Immsi S.p.A.** (IMS.MI) examined and approved the half-year report on operations as at and for the six months to 30 June 2019.

**Immsi Group financial and business performance at 30 June 2019**

The Immsi Group is continuing its strategic focus on geographical expansion consistent with product strategies and with world macro-economic trends. This management model significantly reduces the risks of an excessive concentration of production and sources of income in a single country, and enables the Group to maximise returns in countries with the highest economic growth rates. At the same time, on-going analysis of the latest international trade policies and current socio-political developments confirms that geographical diversification enables the Group to meet the growing demand for quality among all the customers of its subsidiaries without increasing production costs, while simultaneously improving time to market.

---

<sup>1</sup> The results of operations, equity and financial figures for H1 2019 reflect the effects of IFRS 16 on the accounting treatment of operating leases. For the purposes of comparison with H1 2018, which has not been restated in accordance with the new reporting standard, the most significant effects are highlighted in the comments on the individual items.

**Consolidated net sales** in the first half to 30 June 2019 totalled **851 million euro**, up by 9.9% from 774.1 million euro in the year-earlier period. **At constant exchange rates, consolidated net sales rose by 8.7%.**

Immsi Group consolidated **Ebitda** amounted to **136.6 million euro, the best first-half figure since 2007, with an increase of 10.1%** from 124.1 million euro in the first half of 2018. The **Ebitda margin was 16.1%** (16% at 30 June 2018), **the Group's best first-half result to date.** Excluding the effects of IFRS 16, Ebitda at 30 June 2019 would have been 132.4 million euro.

**Ebit** was **75.2 million euro, an increase of 11.3%** from 67.5 million euro in the first half of 2018. The **Ebit margin was 8.8%** (8.7% in the first half of 2018). The indicator was the **best first-half result since 2007 in both absolute terms and in terms of Group profitability.** Excluding the effects of IFRS 16, Ebit at 30 June 2019 would have been 74.8 million euro.

The Group posted a **profit before tax of 54.1 million euro, an increase of 17.9%** (45.9 million euro in the first half of 2018). Excluding the effects of IFRS 16, profit before tax at 30 June 2019 would have been 54.4 million euro.

**Net profit including minority interests** totalled **25.7 million euro, up 15.1%** from 22.3 million euro in the year-earlier period.

**Consolidated net profit was 12.8 million euro, an increase of 12%** from 11.4 million euro at 30 June 2018.

Excluding the negative effects of 22.5 million euro from application of IFRS 16, Immsi Group **net financial debt** at 30 June 2019 was **815.6 million euro, an improvement of 36.4 million euro** from 852 million euro at **31 December 2018** and **27.6 million euro** from 843.2 million euro at **30 June 2018**. Considering application of IFRS 16, the net financial position at 30 June 2019 was -838.2 million euro, an improvement of 13.9 million euro from 31 December 2018 and 5.1 million euro from 30 June 2018.

Immsi Group **shareholders' equity** at 30 June 2019 was **388.5 million euro, an increase of 9.2 million euro** (379.4 million euro at 31 December 2018).

In the first half of 2019, Immsi Group gross **capital expenditure amounted to 61.6 million euro, an increase of 25.7%** from 49 million euro in the first half of 2018.

The Group's operations present seasonal variations in sales over the course of the year, especially in the industrial sector.

### **Performance of the Immsi Group businesses at 30 June 2019**

#### ***Industrial Sector: Piaggio Group***

In the industrial sector, in the first half of 2019 the Piaggio Group reported a strong improvement in performance from the year-earlier period, a significant increase in Ebit and net profit, and a reduction in debt.

At 30 June 2019, Piaggio Group consolidated net sales totalled 817 million euro (+12%); consolidated Ebitda was 134.3 million euro (+15.2%), with an Ebitda margin of 16.4%; Ebit was 75.1 million euro (+21.3%), with an Ebit margin of 9.2%; net profit rose by 29.5% to 34.6 million euro.

Excluding the negative effects of 20 million euro from application of IFRS 16, Piaggio Group net financial debt at 30 June 2019 was 398 million euro, an improvement of 33.4 million euro from 30 June 2018 and 31.2 million euro from 31 December 2018. The Piaggio Group issued bonds, of which 10.4 million euro maturing by 30 June 2020 and 11.1 million euro maturing by 30 June 2021.

In the first six months of 2019, the Piaggio Group sold 321,500 vehicles worldwide, an increase of 5.7%.

#### ***Naval Sector: Intermarine S.p.A.***

In the naval sector, at 30 June 2019 Intermarine S.p.A. reported consolidated net sales of 31.9 million euro, Ebitda of 3.6 million euro (Ebitda margin of 11.1%); Ebit of 1.8 million euro (Ebit margin 5.8%) and net profit of 0.5 million euro.

Specifically, net sales consisted of 26 million euro in the Military Sector and 5.9 million euro in the Fast Ferries and Yacht division, relating largely to operations at the Messina shipyard and the Marine Systems division.

#### ***Real Estate and Holding sector***

Net sales in the Real Estate and Holding sector in the six months to 30 June 2019 amounted to 2.1 million euro, an improvement of 4% from 2 million euro in the year-earlier period.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the province of Cagliari, completed four showhomes and took the remaining 11 villas in the first batch to an advanced unfinished stage, to enable potential clients to select floorings and internal finishes. The company examined the possibility of leasing the showhomes in order to enable end customers, including investors, to become familiar with the product and related services on offer. Commercial operations are underway to identify possible national/international purchasers.

#### ***Events after 30 June 2019***

In July, as scheduled, Intermarine delivered the Angelo Cabrini high-speed multipurpose patrol boat (UNPAV) to the Italian Navy. In May, as reported, it launched the second UNPAV, the Tullio Tedeschi, whose handover is scheduled to take place in the next few months.

In August, the Piaggio Group announced that it had been notified of a judgment of first instance, on a suit presented by a supplier in 2009 (details of which are provided in the financial report), sentencing it to payment of an overall amount of 7.6 million euro. The company believes the ruling to be vitiated on several grounds and has instructed its lawyers to appeal. The company also said that the sentence did not affect the Group's business and performance in any way and that all its business indicators were in line with its growth targets for the year.

\* \* \*

#### **Outlook**

In the **Industrial Sector**, in a context in which the Piaggio Group is strengthening its position on the global markets, the Group is committed to:

- confirming its leadership position on the European two-wheeler market, taking full advantage of the expected recovery by further strengthening its scooter and motorcycle ranges;

- maintaining its current positions on the European commercial vehicles market by strengthening the sales network;
- consolidating its presence in Asia Pacific, by exploring new opportunities in countries in the region, with a particular focus on the premium segment of the market;
- increasing sales on the Indian scooter market thanks to the Vespa and Aprilia offers;
- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements.

From the technological viewpoint, the Piaggio Group will continue research on new solutions to current and future mobility problems, through the work of Piaggio Fast Forward (Boston) and new advances in design at the PADc (Piaggio Advanced Design center) in Pasadena.

At a more general level, the Group maintains its commitment – a characteristic of recent years and continuing in 2019 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with its ethical principles.

In the **Naval Sector** (Intermarine S.p.A.), 2019 will see advances in production work on contracts, in order to strengthen the financial consolidation of recent years. The company is also involved in a number of negotiations, in the Defence sector in particular, to win new orders that would enable it to expand its order book and consequently optimise its production capacity over the coming years.

In the **Real Estate and Holding Sector**, the Is Molas S.p.A. subsidiary is proceeding with commercial activities to identify possible purchasers, in Italy and abroad.

\*\*\*

The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-bis of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2018 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current), less cash and cash equivalents, and other financial receivables (current and non-current). Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges, fair value adjustments of the related hedged items, related accruals, interest accrued on loans and financial liabilities relating to discontinued operations. The schedules in the half-year report as at and for the six months to 30 June 2019 include a table illustrating the composition of net financial debt. In this regard, in compliance with CESR recommendation of 10 February 2005 “Recommendation for uniform enactment of the European Commission regulation on disclosures”, attention is drawn to the fact that the indicator determined as described represents the amount as monitored by Group management and differs with respect to Consob Communication no. 6064293 of 28 July 2006, since it also includes non-current financial receivables.

In preparing the interim report on operations as at and for the six months to 30 June 2019, the Immsi Group applied the accounting policies used in preparing the consolidated financial statements as at and for the year ended 31 December 2018 with the exception of the adoption as from 1 January 2019 of IFRS 16 on accounting treatment of operating leases.

Immsi S.p.A. said that the half-year report as at and for the six months to 30 June 2019 will be available to the public at the company registered office, in the “eMarket STORAGE” authorised storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com) and on the issuer’s website [www.immsi.it](http://www.immsi.it) (section “Investors/Financial Reports/2019”) as required by law.

The Immsi Group reclassified consolidated income statement, reclassified consolidated statement of financial position and consolidated statement of cash flows are set out below. In compliance with the Instructions to the Regulation for markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

For further information:

**Immsi Group Press Office**

Director Diego Rancati  
Via Broletto, 13 - 20121 Milan - Italy  
+39 02.319612.19  
[diego.rancati@immsi.it](mailto:diego.rancati@immsi.it);

**Image Building**

+39 02 89011300  
[immsi@imagebuilding.it](mailto:immsi@imagebuilding.it)

**Immsi Group Investor Relations**

Andrea Paroli  
P.zza Vilfredo Pareto, 3  
46100 Mantua (IT)  
+39.0376.2541  
[andrea.paroli@immsi.it](mailto:andrea.paroli@immsi.it)

## Immsi Group reclassified consolidated income statement

In thousands of euro	30.06.2019		30.06.2018		Change	
<b>Net sales</b>	<b>850,994</b>	<b>100%</b>	<b>774,071</b>	<b>100%</b>	<b>76,923</b>	<b>9.9%</b>
Cost of materials	499,373	58.7%	439,103	56.7%	60,270	13.7%
Cost of services and use of third-party assets	138,987	16.3%	132,699	17.1%	6,288	4.7%
Employee expense	128,245	15.1%	122,468	15.8%	5,777	4.7%
Other operating income	65,604	7.7%	56,474	7.3%	9,130	16.2%
Impairment reversals (losses) net of trade and other receivables	-796	-0.1%	-844	-0.1%	48	5.7%
Other operating expense	12,603	1.5%	11,334	1.5%	1,269	11.2%
<b>EBITDA</b>	<b>136,594</b>	<b>16.1%</b>	<b>124,097</b>	<b>16.0%</b>	<b>12,497</b>	<b>10.1%</b>
Depreciation and impairment property, plant and equipment	24,757	2.9%	21,431	2.8%	3,326	15.5%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	36,660	4.3%	35,138	4.5%	1,522	4.3%
<b>EBIT</b>	<b>75,177</b>	<b>8.8%</b>	<b>67,528</b>	<b>8.7%</b>	<b>7,649</b>	<b>11.3%</b>
Results of associates	385	0.0%	404	0.1%	-19	-
Finance income	7,872	0.9%	15,202	2.0%	-7,330	-
Finance costs	29,309	3.4%	37,235	4.8%	-7,926	-
						21.3%
<b>PROFIT BEFORE TAX</b>	<b>54,125</b>	<b>6.4%</b>	<b>45,899</b>	<b>5.9%</b>	<b>8,226</b>	<b>17.9%</b>
Income tax	28,456	3.3%	23,598	3.0%	4,858	20.6%
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>25,669</b>	<b>3.0%</b>	<b>22,301</b>	<b>2.9%</b>	<b>3,368</b>	<b>15.1%</b>
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
<b>PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>25,669</b>	<b>3.0%</b>	<b>22,301</b>	<b>2.9%</b>	<b>3,368</b>	<b>15.1%</b>
Minority interests	12,898	1.5%	10,901	1.4%	1,997	18.3%
<b>GROUP PROFIT (LOSS) FOR THE PERIOD</b>	<b>12,771</b>	<b>1.5%</b>	<b>11,400</b>	<b>1.5%</b>	<b>1,371</b>	<b>12.0%</b>

## Immsi Group reclassified consolidated statement of financial position

In thousands of euro	30.06.2019		31.12.2018		30.06.2018	
	in %	in %	in %	in %	in %	in %
<b>Current assets:</b>						
Cash and cash equivalents	173,978	7.9%	200,450	9.5%	201,495	9.1%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	586,982	26.5%	486,987	23.1%	605,057	27.3%
<b>Total current assets</b>	<b>760,960</b>	<b>34.3%</b>	<b>687,437</b>	<b>32.6%</b>	<b>806,552</b>	<b>36.4%</b>
<b>Non-current assets:</b>						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	838,615	37.9%	833,805	39.5%	825,356	37.3%
Property, plant, equipment	329,677	14.9%	300,860	14.2%	296,557	13.4%
Other assets	286,290	12.9%	289,201	13.7%	284,411	12.9%
<b>Total non-current assets</b>	<b>1,454,582</b>	<b>65.7%</b>	<b>1,423,866</b>	<b>67.4%</b>	<b>1,406,324</b>	<b>63.6%</b>
<b>TOTAL ASSETS</b>	<b>2,215,542</b>	<b>100.0%</b>	<b>2,111,303</b>	<b>100.0%</b>	<b>2,212,876</b>	<b>100.0%</b>
<b>Current liabilities:</b>						
Financial liabilities	442,370	20.0%	532,096	25.2%	467,914	21.1%
Operating liabilities	707,260	31.9%	585,098	27.7%	692,541	31.3%
<b>Total current liabilities</b>	<b>1,149,630</b>	<b>51.9%</b>	<b>1,117,194</b>	<b>52.9%</b>	<b>1,160,455</b>	<b>52.4%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	569,771	25.7%	520,383	24.6%	576,812	26.1%
Other non-current liabilities	107,596	4.9%	94,351	4.5%	96,455	4.4%
<b>Total non-current liabilities</b>	<b>677,367</b>	<b>30.6%</b>	<b>614,734</b>	<b>29.1%</b>	<b>673,267</b>	<b>30.4%</b>
<b>TOTAL LIABILITIES</b>	<b>1,826,997</b>	<b>82.5%</b>	<b>1,731,928</b>	<b>82.0%</b>	<b>1,833,722</b>	<b>82.9%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>388,545</b>	<b>17.5%</b>	<b>379,375</b>	<b>18.0%</b>	<b>379,154</b>	<b>17.1%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,215,542</b>	<b>100.0%</b>	<b>2,111,303</b>	<b>100.0%</b>	<b>2,212,876</b>	<b>100.0%</b>

## Immsi Group consolidated statement of cash flows

	30.06.2019	30.06.2018
<i>Operating assets</i>		
Profit before tax	54,125	45,899
Depreciation of tangible assets (including investment property)	24,757	21,431
Amortisation of intangible assets	36,377	34,630
Provision for risks, severance liabilities and similar obligations	10,438	10,562
Impairment losses / (Reversals of impairment losses to fair value )	2,068	1,508
Losses / (Gains) on the sale of tangible assets (including investment property)	17	(66)
Finance income	(2,499)	(1,421)
Dividend income	(18)	0
Finance costs	23,636	27,110
Amortisation of public grants	(2,753)	(2,809)
Share of pre-tax results of associates (and equity-accounted companies)	(385)	(404)
<i>Change in working capital:</i>		
(Increase) / Decrease in trade receivables	(51,908)	(51,401)
(Increase) / Decrease in inventories	(22,680)	(55,617)
Increase / (Decrease) in trade payables	120,612	94,207
(Increase) / Decrease in contract work in progress	(6,682)	(3,744)
Increase / (Decrease) in provisions for risks	(6,020)	(7,194)
Increase / (Decrease) in provisions for severance liabilities and similar obligations	(2,077)	(3,653)
Other movements	(25,860)	(4,010)
<i>Cash generated by operating activities</i>	151.148	105,028
Interest expense paid	(20,987)	(23,679)
Tax paid	(14,758)	(13,056)
<i>Cash flow relating to operating activities</i>	115.403	68,293
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(148)	0
Investment in tangible assets (including investment property)	(20,523)	(14,397)
Sale price or redemption value of tangible assets (including investment property)	19	863
Investment in intangible assets	(41,094)	(34,625)
Sale price or redemption value of intangible assets	11	38
Purchase financial assets	0	(13)
Interest collected	361	335
Sale price of discontinued operations	(3)	0
Public grants collected	1,413	0
Dividends from equity investments	18	0
<i>Cash flow relating to investing activities</i>	(59,946)	(47,799)
<i>Financing activities</i>		
Loans received	43.967	314,791
Outflow for loan repayments	(111,635)	(260,867)
Repayment of finance leases	(1,323)	(570)
Reimbursement of rights of use	(2,280)	0
Outflow for dividends paid to Minority Shareholders	(16,015)	(9,835)
<i>Cash flow relating to financing activities</i>	(87.286)	43,519
<i>Increase / (Decrease) in cash and cash equivalents</i>	(31,829)	64,013
<i>Opening balance</i>	195,968	135,258
Exchange differences	999	(1,408)
<i>Closing balance</i>	165,138	197,863